

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

INVESTIGATION INTO THE CONNECTION)
OF CUSTOMER PROVIDED COIN-ACTIVATED) CASE NO. 8883
TELEPHONES TO THE TELEPHONE NETWORK)

O R D E R

On April 27, 1983, the Commission received a letter from Mr. MacDonald L. Wrightsel requesting the Commission's opinion regarding its jurisdiction over the use of coin-activated "Tonk-A-Phones." By letter dated May 18, 1983, attached as Appendix A, the Commission informed Mr. Wrightsel that it was of the opinion that a person who purchases such a phone and makes it available to patrons for a "service charge" is not a utility.

The Commission received a response, attached as Appendix B, wherein Cincinnati Bell stated that the Commission's opinion did not address the question of whether a subscriber could actually connect such a device to the telephone network. Cincinnati Bell further stated that the registration number of the Tonk-A-Phone actually applied to an IT&T standard wall telephone model 554, which was modified for coin operation with toll restriction. The Commission staff had advised Mr. Wrightsel by telephone prior to the Commission's consideration that he must obtain approval from the Federal Communications Commission ("FCC") to actually connect such a telephone to the network, regardless of the Commission's decision on the utility issue.

By letter dated June 17, 1983, attached as Appendix C, South Central Bell addressed the Tonk-A-Phone registration issue, and stated its disagreement with the Commission's opinion concerning the utility issue. It requested that either the Commission advise Mr. Wrightsel that the proposed activity is not permitted in Kentucky, or set the matter for hearing. By letter dated July 6, 1983, attached as Appendix D, General Telephone of Kentucky concurred in South Central Bell's response to the Commission.

Following the Commission's decision on the utility issue, the Commission staff has received numerous inquiries from individuals who represent companies proposing to sell competitive models similar to the Tonk-A-Phone. The question addressed in each instance has related to the procedures to be followed in order to allow the telephones to be connected to the network.

The FCC has stated that coin telephone devices cannot be registered or connected under Section 68.100 et seq. of the rules, 47 C.F.R. Subsection 68.100 et seq., behind registered protective circuitry ("RPC"). The FCC further has stated that it would not be inappropriate for a state to permit connection of such a device behind an RPC, because the RPC would protect against harm to the network. This, however, would necessitate deviation from the FCC's telephone device registration program.

FINDINGS AND ORDER

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

(1) A telephone subscriber providing a coin-activated telephone for the exclusive purpose of local exchange calls is not a public utility, and should not be required to obtain a certificate of public convenience and necessity from the Commission; and

(2) A public hearing is required to determine if the Commission should deviate from the FCC's telephone device registration program, which would be required if the Commission were to allow these customer-provided coin-activated telephones to be connected behind an RPC to the telephone network.

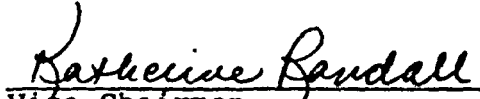
IT IS THEREFORE ORDERED that interested parties shall submit written direct testimony in this matter by August 29, 1983.

IT IS FURTHER ORDERED that this matter be and it hereby is set for hearing on September 9, 1983, at 9:00 a.m., Eastern Daylight Time, at the Commission's offices in Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 18th day of August, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary